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THIRD QUARTERLY OUTLOOK FOR WORLD
MEAT PRODUCTION AND TRADE IN 1981

FLM 4-81
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214
WORLD POULTRY SUPPLIES GAIN,
BEEF HOLDS, AND PORK TIGHTENS

World beef and veal production in 1981 is expected to change little from that of 1980. The expected production declines in the European Community (EC), Australia, and Poland will likely be offset by gains in the United States, Brazil, and several other countries.

Overall imports of beef and veal for the 50 countries covered by this circular are expected to rise 3 percent in 1981 from the 1980 level. However, the four major beef and veal importing areas--the United States, Canada, the EC, and Japan--are expected to have a combined decrease in net beef and veal imports of 3 percent because of a decline in U.S. imports.

The United States, the world's largest importer of beef and veal, is expected to show a decrease in 1981 beef imports: Imports under the Meat Import Law (largely fresh, chilled, and frozen beef) are forecast to reach about 1.32 billion pounds this year, down 7 percent from the 1.422 billion pounds imported last year. This drop in imports results mostly from unattractive prices caused, in part, by the abundant supply of competitive meats available as substitutes for beef, and from the reduced availability of beef from Australia, the United States' largest supplier.

The four major importing countries/areas are expected to experience a slight decline in overall meat production but have a 16-percent decline in total net meat imports in 1981. For these importers, poultry and beef are the only sectors in which production is projected to increase. For poultry it is likely to result in another year of increased exports by the United States and the EC, and for beef a decline in net imports by the United States. Beef and veal production is seen expanding in the United States, Canada, and Japan; however, a decline in EC production will almost negate the increase. The EC

Yearly increases or decreases mentioned in the narrative of this circular are computed over the previous year unless otherwise indicated.

Red meat production and trade in terms of carcass weight (bone-in) equivalent, and those for poultry are on a product weight basis unless otherwise indicated.

is continuing its very strong exports of beef to non-EC countries, through substantial subsidies (approximately 50 cents per pound). The combination of large stocks and a probable decline in EC consumption supports the continuation of these exports. Pork production in these countries is forecast to decline 5 percent in 1981, causing total meat production to be below the 1980 level. Of these countries, only Japan is expecting an increase in pork imports.

Canada's net beef and veal imports are likely to grow in 1981 after two years of decline, although Canadian exports to the United States will rise slightly. While pork production will drop in 1981, exports of beef and pork are expected to show slight gains. Canadian pork production rose substantially in 1979 and 1980 in response to the strong demand that resulted largely from lower beef production.

The Soviet Union's imports of beef and veal are forecast to show a slight gain over the high 1980 level. Soviet imports of mutton are expected to be lower, primarily because of reduced availability from Australia.

Normally a net importer of beef and veal in significant quantities, Spain has, because of surplus production and declining domestic consumption, for the first time on record become a net exporter of an estimated 20,000 metric tons (MT). The conditions that caused the exportable surplus--particularly the drop in consumption--may be only temporary and not lead to a long-term shift in Spain's net trade.

Total U.S. meat production is forecast to advance only slightly in 1981 as rising poultry, beef, and lamb production are nearly countered by a sharp drop in pork production. Net meat imports are forecast to decline 18 percent this year as beef and pork imports fall and poultry exports rise. For pork, exports are expected to increase about 50 percent, in 1981, with shipments to Japan (traditionally the largest U.S. pork buyer), Canada, and others expanding.

The larger-than-expected increase in meat production and a sluggish economy in the United States in the year's first half caused prices to be lower than forecast earlier and, with higher production costs, resulted in producers' losing money. Declining pork output should strengthen prices for all meats in coming months. Continued relatively large meat exports should also provide some market support.

Beef exports from the United States are largely high-quality, fed beef. While these exports comprise only a small segment of the world beef trade and of U.S. production, high-quality beef exports have a positive effect on U.S. beef prices. With exports expected to increase again in 1981, as in recent years, the impact is growing. Although beef exports from the United States are not expected to grow to any great extent in 1981, an increase in high-quality beef shipments to Japan and the EC should occur partially because of concessions under the Multilateral Trade Negotiations (MTN's) expanding the high-quality beef entry into these markets. In 1980, Japan imported over 22,000 tons of this type of beef and that level should rise to over 23,000 tons this year. The EC concession provided for the entry of 10,000 tons from the United States

each year, but only about one-tenth of that amount entered the EC last year--the first year of the concession. This year, licenses have been issued earlier and substantial growth toward that level is expected.

Poultry exports from the United States will continue to expand, by perhaps 12 percent, in 1981 in response to increased foreign demand, although the strengthening value of the U.S. dollar appears to be inhibiting this growth somewhat. During 1980, poultry meat exports increased 44 percent in quantity, going from 238,000 tons to 342,000. Export sales went to diverse destinations, such as: Nicaragua, whose poultry production was profoundly affected by the civil war; the Dominican Republic, which needed additional meat to offset its devastated swine industry; Saudi Arabia and Iraq, where revenues are being used to upgrade domestic diets; Egypt, the largest purchaser in 1980 with almost 48,000 tons; and Japan, where the U.S. share increased in what has been traditionally our largest poultry export market. The 1981 growth is again expected to be distributed among traditional markets such as Japan, Hong Kong, and the Caribbean and newer markets, such as those in the Middle East.

Beef and veal exports by the major exporting countries are expected to decline a net 2 percent in 1981. The largest decline will occur in Australia, a drop of 75,000 tons (9 percent) as a result of dry conditions, reduced cattle numbers, and weak international prices. Mexico, which expected to boost beef and veal production and to reinstate exports to the United States, is currently importing beef carcasses from the United States. The Central American countries are forecasting increased production and exports of beef and veal in 1981; however, civil unrest in these countries, low world prices, and high interest rates may dim these prospects. Argentina will most likely see a slight increase in beef and veal production, but exports should decline partly as a result of past governmental policies discouraging exports.

The EC apparently will continue its relatively new role as a net beef exporter, with shipments at around the 1980 level. EC beef production, which has been increasing in recent years, is expected to slip slightly. With domestic consumption possibly declining because of the slackening economies, the EC high subsidies are moving EC beef into world markets.

In Japan, meat production may fall slightly in 1981 if higher beef and poultry output fails to compensate for unexpectedly large declines in pork production. High imports of chicken and pork in the first half of 1981 should taper off in the fall as domestic production rises.

WORLD SUMMARY OF MEAT PRODUCTION*
AND LIVESTOCK NUMBERS FOR 1980 AND 1981

<u>Meat or Livestock</u>	<u>Units</u>	<u>1980</u> (estimated)	<u>1981</u> (projected)
Beef	(1,000 m.t.)	39,704	39,596
Cattle	(1,000 head)	937,428	946,175
Pork	(1,000 m.t.)	35,051	34,467
Swine	(1,000 head)	429,052	427,147
Lamb/Mutton/Goat	(1,000 m.t.)	4,430	4,397
Sheep and Goat	(1,000 head)	835,542	833,273
Poultry Meat	(1,000 m.t.)	20,809	21,715
Horse Meat	(1,000 head)	286	285
TOTAL MEAT	(1,000 m.t.)	99,994	100,175

* Approximately 50 of the major countries reviewed for beef, and 36 for poultry.

MAJOR IMPORTERS

United States

Total meat production for 1981 is forecast slightly above the 1980 level. In the year's first half, output was 1 percent above the corresponding 1980 period as beef and poultry counteracted the decline in pork. Total beef output was above year-earlier levels because larger nonfed slaughter--coupled with heavier dressed weights--more than compensated for a slightly smaller number of fed cattle slaughtered. During this same period, poultry output rose, while pork production fell.

U.S. imports of meat subject to the Meat Import Law in 1981 are now expected to total 1.32 billion pounds, 125 million pounds below the level that would require restraints and 100 million pounds below 1980's imports. Imports of meat subject to the law totaled about 532 million pounds for the first 6 months of 1981, compared with 655 million pounds for the same 1980 period. Pork imports are expected to be near or slightly above those of last year, with poultry meat imports continuing to be negligible.

Pork exports are expected to grow around 50 percent from 1980's level with greater quantities moving to Japan and certain other countries. Poultry exports are forecast to rise nearly 12 percent, continuing the growth trend of recent years. The bulk of the increase is coming from broiler exports.

For calendar year 1981, total cattle slaughter is currently projected to be up 3 percent from last year, with total beef and veal production up nearly 4 percent. On the other hand, pork production will decline nearly 7 percent

from last year's record production. Poultry production is forecast to gain over 5 percent from last year's level. As expected, broiler production will again outpace other forms of poultry and is likely to expand more than 5 percent from 1980's level.

With meat production growing (though less than 1 percent), total meat imports down, and exports up, domestic per capita consumption of meat--led by pork--is expected to fall 1 percent. The slightly lower availability of meat for domestic consumption might normally induce a rise in prices and returns to producers, but a generally weak economy is inhibiting the price rise.

European Community

No significant developments have occurred to change earlier predictions of a 3-percent decline in beef and veal production, compared with the 1980 level. Exports, however, are expected to continue at high levels.

Production of veal in France is down following last summer's hormone scare, which caused veal consumption to drop. Currently, consumption of veal in France is 10 percent below last year's level. In Ireland, cattle slaughter is running well below 1980's very high levels, and total beef production may drop 23 percent this year. This decline is sharper than previously expected because of the exceptionally high disposals last autumn that raised 1980 production and lessened the supply for 1981 slaughter.

The EC is likely to continue in its new role as a net beef and veal exporter. Exports are expected to total 512,000 MT to third-country destinations, with imports set at 281,000 MT. Dutch beef exports for the first 2 months of the year were up 12 percent and are estimated at 240,000 MT for 1981, with only 150,000 MT for intra-EC trade. On the import side, Dutch purchases of U.S. variety meats dropped 41 percent during January and February in response to the strong U.S. dollar and uncertainty over the hormone issue and future inspection requirements.

Through the third week of June, some 4,977 MT (including a few hundred tons carried over from the 1980 quota) of the 5,000 MT of subsidized beef the EC exports under the MTN agreement to the United States had arrived. Ireland shipped 1,690 MT, and Denmark all the rest. The current subsidy level for EC beef to the United States is 52 cents per pound.

Licenses were issued May 1 for imports of 602 metric tons of U.S. high-quality beef under the 10,000-ton U.S. quota. License applications for 254 MT were received from West Germany, 231 MT from the United Kingdom (U.K.), 50 MT from Denmark, 30 MT from the Netherlands, 27 MT from France and 10 MT from Luxembourg. For the first 6 months of 1981, EC member states have been authorized to issue import licenses to cover the 1,015 MT for which importers have applied. The third quarterly allocation of 5,000 MT of the quota has been announced. License applications were lodged during the first ten days of July.

EC pork production for 1981 is forecast at 9.36 million MT, 3 percent below that of 1980. Exports of EC pork will likely total 273,000 MT, led by Denmark with 210,000 MT. The EC subsidies on canned hams and shoulders for shipment to the United States were increased effective April 6, 1981. The rate on hams went up from 28 to 31 cents per pound, while the rate on shoulders went from 23 to 26 cents per pound. The EC Commission cited declining exports to the United States and increased competition from Poland, which the Commission claims is selling hams in the United States at 4-5 cents per pound below the price for Danish hams. U.S. figures show that imports of EC hams through May were running 18 percent above 1980 levels while those from all countries were down 5 percent. Polish shipments are off 10 percent from 1980 levels.

Foot-and-mouth disease broke out in France early this spring, spreading to the Channel Islands on March 10, and to the Isle of Wight off the coast of the United Kingdom on March 22. In France, 10,000 animals, including 9,800 hogs, had to be slaughtered in Brittany. Some 20,000 animals were vaccinated in France, and \$3.1 million in indemnities paid out. A total of 623 cattle and hogs were slaughtered on the Isle of Wight, where the United Kingdom imposed movement restrictions until April 12.

Poultry meat production increases in the EC will be led by the largest producer, France, where broiler output will be up 12 percent, and turkey production 8 percent. Exports of French broilers, mainly to third countries, are forecast to increase by one-third--to more than 275,000 MT. Broiler exports from the Netherlands to third countries are up 11 percent this year and should total 61,500 MT. The percentage of total Dutch poultry exports going into third-country trade, as opposed to intra-EC trade, has doubled, compared to the same period in 1980. West Germany's broiler industry is also relying more on the growing third-country export market as production decisions increasingly reflect export opportunities. In 1981, West Germany's broiler exports are expected to reach about 40,000 MT, or almost 16 percent of domestic broiler production. Major recipients are Middle East countries and the USSR.

Canada

Canada's cattle inventory appears to have increased modestly over the past year and, given adequate moisture conditions in the range areas, a growth of 1 to 2 percent is expected during 1981. However, dry weather could boost nonfed slaughter and slow the inventory buildup. Current slaughter patterns indicate that total beef and veal output in 1981 will exceed the year-earlier level by about 4 percent. The overfed cattle situation in the United States and the lifting of DES certification requirements in late 1980 led to a large movement of cattle to Canada during the early months of 1981, but the situation has slowed down in recent months. Canadian imports of U.S. live slaughter steers and heifers by late April 1981 totaled 81,326 head, more than twice the number for the similar 1980 period. At the same time, U.S. exports of beef and veal to Canada are running 103 percent ahead of the comparable January-May period last year, totaling 3,381 tons as of the end of May. On the other hand, Canada is expected to export about 45,000 metric tons of beef to the United States in 1981, some 3,300 tons more than in 1980.

Pork production in 1981 is anticipated to increase about 2 percent from the high level of 1980. Farrowings for 1981, which had been expected to decline, are now expected to show little change from the 1980 level. A modest increase in pork production, combined with the expected 2-percent decline in poultry output, is likely to have a positive effect on Canadian beef demand.

On April 1 of this year, total pig numbers were unchanged as indicated by a survey on livestock numbers. However, farrowing intentions are indicated to be up in the last half of 1981. This situation implies that production may rise in early 1982. Canadian exports of pork to the United States are expected to continue to grow, but at a much slower pace, during the balance of 1981. Exports are now forecast at more than 15 percent of the estimated pork production in 1981.

Japan

Greater beef and poultry production in Japan should almost offset the decline foreseen for pork in 1981. Continued increases in the feeding of dairy steers for beef should boost Japanese beef production by 2 percent in 1981. However, a combination of slower economic growth and the failure of retail beef prices to fall parallel to wholesale prices has dampened domestic beef demand. Last year's 3 percent drop in household beef consumption, the first such decline in 7 years, has not been reversed in 1981. Consequently, beef imports fell by 13 percent in the first quarter of 1981 and the beef import quota for the first half of Japan's 1981 fiscal year (April-September) has been reduced 4,000 metric tons to 68,000 tons.

Despite this, Japan's imports of beef from the United States climbed 14 percent in the first 4 months of 1981. These shipments, consisting primarily of high-quality beef, should continue above 1980 levels because Japan's production of grainfed "Wagyu" beef has not increased as much as leaner dairy beef. Also, the MTN agreement with Japan provides for steadily higher imports of high quality beef in the next three Japanese fiscal years. Japan's high quality beef imports in the 1980 fiscal year slightly exceeded 22,000 metric tons, more than 5 percent above the 20,800 metric ton minimum.

Pork production in Japan this year may fall 4 percent. Although sow numbers have increased since the herd reduction of 1980, smaller litters from younger sows have moderated the growth in the swine herd.

Hog slaughter is expected to top year-earlier levels by this fall, reversing the decline of 14 percent in the January-February period that pushed up prices and stimulated pork imports. In the first quarter of 1981, Japan's pork imports rose to 53,116 metric tons (product weight), nearly quadrupling the import level during the same 1980 period. The U.S. share of 13,538 metric tons grew by about 10,000 metric tons, but still trailed Danish and Canadian shipments. Imports for the entire year should jump 60 percent to 175,000 metric tons on a product weight basis (250,000 tons carcass weight equivalent), with the United States holding a substantial share.

Higher real prices and lower domestic production will hold Japanese pork consumption very close to 1980 levels. Larger pork supplies in 1980 found increased use in processed meats, replacing sheepmeat to a great extent. Depending on mutton prices and availability, this trend may now be reversed.

Japanese poultry producers have agreed to limit the increase in the number of broilers marketed to 2 percent over 1980's level in order to maintain prices high enough to cover increased feed costs. A combination of lower profit margins, cold winter weather and suspected outbreaks of disease actually reduced broiler production 2.5 percent in the first 4 months of 1981. Nevertheless, broiler production is expected to show an overall gain of up to 3 percent in 1981, with somewhat higher dressed weights per head.

High chicken meat prices pushed imports up 68 percent over the 1980 level to 27,682 metric tons in the January-April 1981 period. The United States increased its share to 15,844 metric tons, including 10,534 metric tons of chicken legs. Japan's poultry imports are expected to rise 15 percent in 1981. Poultry meat consumption will likely rise 3 percent in 1981.

USSR

Meat production on Soviet collective and state farms in the first 5 months of 1981 was less than 1 percent above output during the same period of 1980. Pork and poultry meat production figures were above the year-earlier levels by 3 and 10 percent, respectively, while beef production was down 2 percent. However, the development of good pastures and forage crops in the European USSR during the spring may result in a recovery of beef production later in the year. The average live weight of cattle at slaughter for the January-May period of 1981 was 1 percent below the 1980 level, while that for hogs was 2 percent above the 1980 figure. Inventories of cattle and poultry on collective and state farms on June 1 of this year were at record-high levels, and the hog inventory was 700,000 head above the year-earlier figure.

The Soviets imported 820,000 tons of meat during 1980, a 34-percent increase over the 1979 level. Soviet meat imports this year probably will reach the 1980 level and may substantially surpass it. Eastern Europe, the EC, and Argentina should continue as the major suppliers of meat to the USSR, with the EC and Brazil expected to provide the largest increases. While the United States continues to ship large amounts of inedible tallow to the Soviets this year, poultry meat appears to provide the best opportunity for U.S. meat exports to the USSR.

Brazil

After expanding 2 percent in 1980, beef production is now expected to rise 5 percent in 1981 as strong export demand is likely to more than compensate for little growth in domestic consumption due to higher prices. Beef exports have recently been aided by the elimination in April of taxes on fresh and processed beef exports, as well as a new 15-percent subsidy on processed beef exports. In addition, the National Monetary Council has released nearly \$2 million to help move beef into export channels this year. Observers feel that

with these supports, the volume of processed beef exports could expand up to 25 percent in 1981, while 50,000 tons of fresh beef are projected to be exported, compared with only 6,000 tons in 1980. The largest market for fresh beef is expected to be the Soviet Union, which will probably be in the 30,000-40,000-ton range. Total exports of beef and veal may reach 230,000 tons (carcass weight), nearly 40 percent over 1980's level. Brazil's imports of beef are likely to decline slightly from 46,000 tons in 1980 to 40,000 tons (carcass weight) this year.

Pork production, with exports still stalled as a result of the African Swine Fever outbreak in 1978, is expected to remain steady or possibly drop slightly from 1980's high levels. The situation for pork production could change substantially if the export embargo on pork is lifted during the year. However, there are few indications at this time that this will happen.

Consumer demand for poultry meat is also feeling the effects of reduced disposable consumer income; however, the effect is expected to be less pronounced than in the case of pork or beef. Domestic consumption of poultry meat is projected to increase 5 percent in 1981, compared with over 20 percent during 1980. Exports, moving with the help of subsidies, may rise over 50 percent to 260,000 tons. Brazil's major markets should continue to be in the Middle East, with a strong movement also to the Soviet Union.

MAJOR EXPORTERS

Australia

Weather conditions in Australia are continuing to raise havoc within the cattle industry. While April and May turned out to be extremely dry months, good rains occurred in major parts of Queensland and New South Wales in early June, allowing station owners to retain stock. Cattle numbers, as of March 1981, were an estimated 24.7 million head, down from the estimated 26.2 million head at the end of March 1980. Whether more normal climate conditions will prevail for the remainder of the year is uncertain; however, most indications are that some herd buildup will likely be attempted during the rest of the year. Cattle slaughter for 1981 is projected to be around 8 million head, down 10 percent from last year.

Per capita beef consumption is likely to decline somewhat in 1981 as retail beef prices rise relative to other competing meats, particularly pork and poultry. With consumption falling off and the export situation for beef far from ideal, the tendency toward lower production levels is reinforced. As a result of relatively depressed U.S. beef import prices and the high interest rates that U.S. importers must pay, exports to the United States are likely to be closer to 275,000 tons than the 340,000 tons forecast earlier.

In addition to the cattlemen, sheep producers are likely to attempt to rebuild flocks now. As expected, mutton production--most of which is exported--will be most affected as production may decline as much as 25 percent. Purchases by the Soviet Union are predicted to be around 40,000 tons--35,000 tons less than in 1980, while shipments to Japan will likely remain stable.

While lamb meat production may decrease slightly as herds are rebuilt, exports should hold their own, because demand is expected to remain stable in the Middle East. Despite the Australian Meat Packers Union's objections to the exportation of live sheep, strong demand in the Middle East market may still induce the shipment of 6.5 million lambs in 1981, given no major disruptions in the Middle East.

New Zealand

Despite low producer prices (currently supplemented by the Meat Producers Board and the government) beef production is expected to approximate 1980's level of 496,000 tons as farmers are trying to rebuild herds. With international prices generally at a depressed level, exports are forecast to decline 13 percent to 300,000 tons in 1981, with approximately 150,000 tons destined for the U.S. market.

Despite some expected increases in cattle numbers in 1981, more and more farmers are turning towards sheep raising in response to very favorable wool and lamb prices. Sheep numbers and production both are expected to rise around 7 percent in 1981--with lamb meat exports likely to expand by a similar amount. The United Kingdom and the Soviet Union should remain New Zealand's major markets for lamb.

Mexico

Mexican exports of feeder cattle to the United States reached a total of about 240,000 head by the end of February, against the export quota of 500,000. The heaviest movement in the quota year (September-August) usually occurs during the October-January period. Unattractive feeder cattle prices in the United States and the Mexican policy relative to taxes on these exports are most likely responsible for the sluggish sales this quota year. Also, some of the cattle normally exported may have been absorbed by the recently established feedlots operations in the northern part of the country.

At the current rate, feeder cattle imports from Mexico would only reach about 330,000 animals by the end of the year, but improvement in the feeder cattle price would probably generate additional movement.

Mexico had been expected to restart its exports of fresh, chilled or frozen beef to the United States sometime during the second half of this year. Recently, however, Mexico began importing beef from the United States, issuing licenses for the import of 10,000 beef carcasses, with a possibility of raising that level up to 40,000 carcasses. Imports apparently started in June. Neither the total import quantity nor the time period has been declared. The Rural Credit Bank of Mexico has been financing these purchases in an effort to insure the availability of supply and hold down prices of beef in Mexico. Many Mexican meat producers are trying to make this as limited an action as possible.

Central America

The countries of Central America are experiencing a variety of ups and downs in beef exports this year. This situation arises from the closure of meat processing plants in some countries, the unauthorized movement of cattle among others, economic uncertainty over much of the area, and low imported beef prices and high interest costs in the United States--their major customer. The Dominican Republic, Costa Rica, and Panama are increasing exports of fresh, chilled, and frozen beef to the United States this year, while El Salvador, Guatemala, Honduras, and Nicaragua are experiencing reductions.

The Dominican Republic is increasing its beef exports as larger poultry production and pork imports replace the pork lost to the African Swine Fever eradication program. Costa Rica has increased exports of beef in response to a producer price system that links meat exports to a floating dollar system. Panama, where cattle withheld from the market last year are now heavier, has increased its exports to the United States through June 30 by 35 percent.

On the other hand, El Salvador had not shipped any beef to the United States by the end of June as a result of the earlier processing plant closures for lack of appropriate residue inspection. Guatemala's shipments to the United States are down in part because of sales of about 10,000 head of cattle and 8,000 beef carcasses to Mexico in response to increased Mexican demand. Nicaragua, which is still suffering from the illegal movement of cattle out of the country in 1979, has purchased cattle from Costa Rica in order to supplement its depleted cattle numbers. These conditions, as well as the unattractive beef prices in the United States, lead to the expectation of reduced imports from Central America.

Argentina

Although cattle numbers were expected to increase in 1981 for the first time since 1977, many producers are slaughtering more young animals and lighter-weight steers because of the tight financial situation and relatively low cattle prices. As a result of this increased slaughter, beef production is projected to rise 3 percent to 2.88 million tons in 1981. While beef exports have lagged during the first quarter of 1981, exports should reach the previously estimated level of 450,000 tons by year's end as a result of: (1) the more than 75-percent devaluation of the peso since the beginning of the year; (2) a new 3-year agreement with Egypt calling for shipment of 34,000-45,000 tons annually; and (3) a new 5-year arrangement with the Soviet Union, which has agreed to buy between 60,000-100,000 tons annually. In 1981, Argentine trade sources are predicting beef sales to the Soviets will approximate 1980's level of 88,000 tons.

Argentine per capita consumption of beef, at 195 pounds, continues to lead the world. Despite this high beef level, poultry meat production in 1981 is expected to expand 4 percent to 241,000 tons. Imports will continue at about 5 percent of production and will remain at about the 1980 level of 13,000 tons.

Uruguay

With good forage supplies and cattle numbers on the rise in 1981 for the third consecutive year, total slaughter and beef production should also rise. As a result, beef prices should be moderate for the remainder of 1981--good news for consumers who until now have had to cope with relatively high beef prices. Exports are forecast to reach 125,000 tons as demand from Brazil, Uruguay's largest purchaser of beef, is expected to increase over last year's level. Other major export markets include the Middle East and the European Community. Domestic consumption of other meats, such as poultry and pork, are expected to remain at traditional low levels in 1981.

Eastern Europe

Cattle inventories in Eastern Europe have generally remained stable, while the hog numbers in several countries are above their 1980 levels. In Poland, however, both cattle and hog inventories are significantly below the year-earlier levels.

The Polish livestock sector continued to struggle during the first half of 1981, despite weather favorable for the development of pasture and forage crops. Lower inventories and continuing feed shortages this year are expected to result in meat production decreases of about 20 percent for pork and 15 percent for beef, compared with 1980 output levels. Meat procurement by the state has fallen off so sharply this year that the government recently proposed a reduction in meat rations. The amount of meat not marketed through state channels, however, is estimated to be substantially higher. In 1981, Polish meat imports are expected to at least double the 1980 volume of 49,200 tons, while meat exports are forecast to be less than the 142,600 tons shipped in 1980. For the first 5 months of 1981, Polish exports of canned hams and shoulders to the United States were 10 percent below the year-earlier level.

Despite East German policy statements calling for stability in animal numbers, the total number of hogs in East Germany in May 1981 was 2.4 percent, or 288,000 head, above the year-earlier level. The Yugoslavian hog inventory in January 1981 was 368,000 head above the year-earlier level--an increase of 4.9 percent. Romania, which has imported breeding swine from the United States during the past several years, also reported a substantially higher hog inventory in 1981. Furthermore, the good development of early forage crops in Romania this year should give a boost to 1981 beef production.

For further information, contact the U.S. Department of Agriculture, Foreign Agricultural Service, Dairy, Livestock and Poultry Division, Room 6616-S, Washington, D.C. 20250. Telephone (202) 447-8031.

TABLE 1--BEEF AND VEAL: IMPORTS BY SELECTED COUNTRIES,
1978-81 (CARCASS WEIGHT EQUIVALENT)

Country	: 1978	: 1979	: Estimated 1980	: Forecast 1981 ^{1/}	: Changes 1981/80
	:	:	:	:	:
	:------(1,000 metric tons)-----				: Percent
United States.....	: 1,053	: 1,103	: 946	: 882	: - 7
EC ^{2/}	: 422	: 396	: 319	: 301	: - 6
Yugoslavia.....	: 51	: 65	: 55	: 65	: 18
Canada.....	: 102	: 86	: 80	: 90	: 13
Japan.....	: 143	: 185	: 174	: 180	: 3
Spain.....	: 73	: 80	: 20	: 10	: -50
USSR ^{3/}	: 56	: 250	: 385	: 400	: 4
Brazil.....	: 118	: 114	: 46	: 40	: -13
Korea, Republic of..	: 45	: 60	: (^{4/})	: 10	: **
Israel.....	: 37	: 71	: 22	: 30	: 36
Egypt.....	: 134	: 74	: 100	: 110	: 10
Other countries ^{5/} ..	: 270	: 159	: 118	: 219	: 86
Total base ^{3/}	: 2,504	: 2,643	: 2,265	: 2,337	: 3

** Indicates change greater than 100 percent

^{1/} USDA forecasts. ^{2/} Excludes intra-EC trade. ^{3/} USSR--Product weight basis. ^{4/} Less than 500 metric tons. ^{5/} Combination of approximately 30 countries additional to the preceding list.

Source: Reports of U.S. Agricultural Attaches and related information.

July 1981

Commodity Programs, FAS, USDA

TABLE 2--MEAT PRODUCTION IN MAJOR TRADITIONAL IMPORTING AREAS, 1978-81
CARCASS WEIGHT EQUIVALENT

Commodity and Country	1978	1979	Estimated 1980	Forecast 1981 1/	Changes 1981/80
	(1,000 metric tons)				Percent
Beef and Veal:					
United States	11,283	9,925	9,999	10,368	4
Canada	1,060	946	971	1,010	4
EC-10	6,511	6,903	7,093	6,851	-3
Japan	403	402	418	427	2
Total	19,257	18,176	18,481	18,656	1
Pork:					
United States	6,075	7,008	7,537	7,032	-7
Canada	620	750	877	895	2
EC-10	8,733	9,186	9,695	9,360	-3
Japan	1,284	1,430	1,476	1,420	-4
Total	16,712	18,374	19,585	18,707	-4
Mutton and Lamb:					
United States	140	133	144	150	4
Canada	4	4	5	5	0
EC-10	656	673	737	726	-1
Japan	2/	2/	2/	2/	0
Total	800	810	886	881	-1
Poultry: 3/					
United States	5,847	6,483	6,586	6,948	5
Canada	484	539	519	508	-2
EC-10	3,701	3,787	3,964	4,177	5
Japan	1,027	1,109	1,152	1,182	3
Total	11,059	11,918	12,221	12,815	5
Total meat:					
United States	23,345	23,549	24,266	24,498	1
Canada	2,168	2,240	2,372	2,418	2
EC-10	19,601	20,548	21,489	21,114	-2
Japan	2,714	2,941	3,046	3,029	-1
Total	47,828	49,278	51,173	51,059	0

1/ USDA forecast. 2/ Less than 500 tons. 3/ Product weight basis.

SOURCE: Reports of U.S. Agricultural Attaches and related information.

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Commodity Programs, FAS, USDA

TABLE 3--NET MEAT IMPORTS IN MAJOR IMPORTING AREAS, 1978-81
(CARCASS WEIGHT EQUIVALENT)

Commodity and Country	1978	1979	Estimated: 1980	Forecast: 1981 <u>1/</u>
----- (1,000 metric tons) -----				
Beef and veal:				
United States.....	981	1,025	862	808
Canada.....	57	34	15	21
EC-10 <u>2/</u>	229	107	-230	-231
Japan.....	143	185	174	180
Total	1,410	1,357	821	778
Pork:				
United States.....	97	94	135	71
Canada.....	- 3	- 47	-100	-110
EC-10 <u>2/</u>	- 91	-136	- 96	-131
Japan.....	148	188	155	250
Total	151	99	94	80
Mutton and lamb:				
United States.....	17	20	16	14
Canada.....	17	21	14	12
EC-10 <u>2/</u>	259	248	226	215
Japan.....	279	237	157	150
Total	572	526	413	391
Poultry: <u>3/</u>				
United States.....	-198	-238	-342	-383
Canada.....	28	27	18	22
EC-10 <u>2/</u>	-126	-203	-278	-364
Japan.....	62	70	70	77
Total.....	-234	-344	-532	-648
Total meat:				
United States.....	897	901	671	510
Canada.....	99	35	- 53	- 55
EC-10 <u>2/</u>	271	16	-378	-511
Japan.....	632	680	556	657
Total	1,899	1,632	796	601

1/ USDA forecasts. 2/ Excludes intra-EC trade. 3/ Product weight basis.

SOURCE: Reports of U.S. Agricultural Attaches and related information.

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Commodity Programs, FAS, USDA

TABLE 4--PRODUCTION AND EXPORTS OF BEEF AND VEAL BY MAJOR
EXPORTING COUNTRIES, 1978-81 (CARCASS WEIGHT EQUIVALENT)

Item	1978	1979	Estimated 1980	Forecast 1981 <u>1</u> /	Changes 1981/80
	(1,000 metric tons)				Percent
Production:					
P.L. 96-177 countries: <u>2</u> /					
Australia	2,134	1,770	1,539	1,400	- 9
New Zealand <u>3</u> /.....	562	512	496	486	- 2
Central America <u>4</u> /....	428	439	409	433	6
Mexico.....	1,054	1,025	1,055	1,105	5
Subtotal.....	4,178	3,746	3,499	3,424	- 2
Other:					
Brazil.....	2,200	2,100	2,150	2,250	5
Argentina.....	3,193	3,092	2,865	2,880	1
Uruguay.....	354	266	336	347	3
Subtotal.....	5,747	5,458	5,351	5,477	2
Total.....	9,925	9,204	8,850	8,901	1
Exports:					
P.L. 96-177 countries: <u>2</u> /					
Australia	1,131	1,089	840	765	- 9
New Zealand <u>3</u> /.....	346	343	344	300	-13
Central America <u>4</u> /....	156	168	114	124	9
Mexico.....	45	6	1	3	**
Subtotal.....	1,678	1,606	1,299	1,197	- 8
Other:					
Brazil.....	130	110	166	230	39
Argentina.....	740	697	470	450	- 4
Uruguay.....	112	81	117	125	7
Subtotal.....	1,082	888	753	805	7
Total.....	2,760	2,494	2,052	2,002	- 2

** Indicates change greater than 100 percent.

1/ USDA forecasts. 2/ Excludes Canada and the EC. 3/ Year ending September.
4/ Includes Dominican Republic, but excludes Belize and Haiti.

SOURCE: Reports of U.S. Agricultural Attaches and related information.

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TABLE 5--PRODUCTION AND EXPORTS OF MUTTON AND LAMB BY MAJOR
EXPORTING COUNTRIES, 1978-81 (CARCASS WEIGHT EQUIVALENT)

Country	1978	1979	Estimate 1980	Forecast 1981 <u>1/</u>	Changes 1981/80
	(1,000 metric tons)				Percent
Production:					
Australia.....	492	539	551	468	-15
New Zealand <u>2/</u>	502	514	570	611	7
Argentina.....	130	129	120	120	0
Total.....	1,124	1,182	1,241	1,199	- 3
Exports:					
Australia.....	245	214	247	205	-17
New Zealand <u>2/</u>	378	436	470	520	11
Argentina.....	38	31	18	20	11
Total.....	661	681	735	745	1

1/ USDA forecasts. 2/ Year ending September.

SOURCE: Reports of U.S. Agricultural Attaches and related information.

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